

CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me immense pleasure to present to you the Annual Report of your Company for the Financial Year ended 31st March 2018. I hope this will provide you a deeper understanding of our business, ecosystem, performance and prospects. This would also highlight, how, through leading-edge solutions, we are reinventing workplaces. I would also like to thank all the shareholders for the overwhelming response to the IPO and look forward to their continued support and faith in the organisation



Due to global thrust on digitalisation, customers are looking for software solutions that empower their transformation to a digital integrated enterprise. Our comprehensive product portfolio presents us an excellent opportunity for growth. Our proven platforms innovatively connect systems, processes, people and things. The applications built on our platform are extremely powerful and help organisations achieve their critical objectives. Our applications are

scalable, secure, cloud-ready, highly available, and usable on all devices. We provide both on-premise and cloud solutions to suit customer needs.

During Fiscal 2018, we have continued with our strong growth and profitability momentum and delivered broadbased growth across geographies by expanding our sales distribution, both direct and indirect, with an emphasis on expanding our recurring revenues and operating cash flows. On a

consolidated basis, we reported revenues of ₹5,124 million in Fiscal 2018, that is a 20% growth (YoY) compared to the previous year revenues of ₹4,271 million. We continue to remain well diversified across geographies, with India comprising 35% of our revenues, EMEA comprising 33%, USA comprising 23% and APAC (excluding India) comprising 9% of revenues. This year, EMEA and APAC were two strong growth centers for us. In USA, the business is focused on SaaS/

Cloud and thus the upfront revenues are in line with the business model, but these would be better quality revenue streams in future.

Newgen continues to be a global business; well diversified across geographies, customers and verticals. Our product leadership has enabled us to establish a marquee and diversified global customer base with long-standing relationships. We have an active customer base of 520+ clients running their businesses and critical operations on our platforms in 60+ countries. We are providing solutions to some of the world's leading banks, insurance companies, healthcare firms, global manufacturers etc. We have made substantial customer wins during the year and added 120 new customers including some Fortune 500 companies. Our investments in USA are starting to bear fruit and we have seen large customer wins in this area.

Newgen continues to strengthen its horizontal product platform with constant focus on Research & Development. We have continued to enhance our solutions to take advantage of market trends and released product upgrades for our customers. Our new offerings include Mobility (Newgen Enterprise Mobility Framework), Virtual Repository Services, Dynamic Case Management, RPA with BPM, Digital Sensing and Flexible Designing and Authoring.

Newgen's commitment to delivering innovative products and solutions makes us one of the few software products organisations which have attracted multiple recognitions from leading advisory and research firms from time to time including Forrester and Gartner.

We are building vertical service accelerators to enhance the overall portfolio. We possess multi-vertical industry expertise and target a broad spectrum of services in our business and product offerings. This has helped us build solution frameworks which are enriched with domain knowledge from the relevant sector and subject matter experts across several industries. These frameworks have been built on our platform and are scalable and adaptable based on a particular customer's unique and constantly evolving business needs. Banking & Financial Services vertical continued to be a stronghold for us. During the year, we have built high level domain expertise and created robust frameworks for Retail and Corporate lending which are successfully operating across banks and geographies.

The Company witnessed substantial improvements in the operational performance, which reflect in the 39% increase in EBITDA (adjusted for other income). The Company reported the EBITDA (adjusted for other income) of ₹975 million in Fiscal 2018 as against ₹702 million in Fiscal 2017. PAT improved by 42% from ₹513 million in Fiscal 2017 to touch ₹729 million in Fiscal 2018. We continue to strike a fine balance between investing for our future growth and managing our margins.

We are focusing on scaling our Cloud / SaaS business by increasing penetration and strengthening the platforms to meet all compliance/regulatory requirements. SaaS revenues witnessed robust growth of 3X and comprised 2% of revenue from operations.

Apart from our direct presence in several countries around the world, our robust partner network has



On a consolidated basis, we reported revenues of ₹ 5,124 Million in Fiscal 2018, that is a 20% growth YoY compared to the previous year revenues of ₹ 4,271 Million.

played a pivotal role in expanding our outreach. We will continue to leverage our association with our partners to accelerate business growth.

Our outstanding performance is due to the efforts of our dedicated, skilled and professional employees. To ensure that we have the right mix of next-generation skills to achieve our goals, we will continue to attract, develop and retain the best talent in the industry. Our people are our most important asset and we remain committed to provide them with a workplace that fosters innovation, collaboration and satisfaction.

We are heading towards exciting and transformative times in the industry as well as for the organisation. Our performance in Fiscal 2017-18 has set the foundation for the future.

We continue to work towards improvement of our products to make them future-ready and look forward to the continued support from all our stakeholders.

**With Best Regards,
Diwakar Nigam**